Driving Change in your Business or Organization

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In the 20th Century We focused on building organizations that could last...

The Challenge of Change

The Forbes original list of top 100 companies was published in 1917 and republished in 1987. By 1987, 61 of the top 100 no longer existed. And of the remaining 39 companies, only 18 remained in the top 100.
To ensure survival, effectiveness, and long-term success in the 21st Century, organizations today and for the future need to be built to change, not build to last!
“It is not the strongest or the most intelligent who will survive but those who can best manage change.”
— Leon C. Megginson

It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change.
In the struggle for survival, the fittest win out at the expense of their rivals because they succeed in adapting themselves best to their environment. Darwin?

What do we know about Change?

• We don’t do it very well. Excessive failure rates.
• It’s hard to do.
• It’s messy.
• Resistance to Change??
• Culture Change is the Greatest Change Challenge.
• You need a Systems approach. Intended and Unintended Consequences.
• It’s Absolutely Necessary. VUCA World!
Change & Leadership

Â One of the principle roles and responsibilities for leaders today is as change agent or change leader.

Â Leadership and driving change are indistinguishable in today's VUCA world- a world that is volatile, uncertain, complex and ambiguous.

Why Change?

Â The ability to change & adapt is arguably the single most critical capability of an organization today.

Â Organizations- Your Business, needs both agility and and the capacity to learn i the two need to be essentially equivalent.

Change = Learning

Â The ultimate reason why organizations need to changeé ..
“In the long run, the only sustainable source of competitive advantage is your organisation’s ability to learn faster than its competition”
- Peter Senge

The Paradoxes of Organizational Life

The Desire for ‘Control’
The focus on continuously tightening the grip on how we do things today – driving predictability and productivity by fine-tuning our knowledge of, and control over, our existing business portfolio – products, customers, channels, etc.

The Pursuit of ‘Growth’
The creation of new value for customers and shareholders, driving the need for new stuff – new products, new services, new markets, new business models, etc. – by definition, increasingly different from what we currently do...
Two Paradoxes of Change!

Â First - A paradox of organization change is that the peak of success is the time to worry and to plan for and bring about significant change

Â Second - When planning organization change, the process is usually linear, that is Step 1, then Step 2, 3 and so on. And although an attempt is made in the implementation of change to follow these steps or phases, what actually occurs is anything but linear.

Â In short, unanticipated consequences occur. Let us be clear: we must plan change yet understand that things never turn out quite as we planned. It's a paradox.

Best Read: Change Management
Four Phases of the Change Process …  
**The Prelaunch Phase**

- The *initiation of change*, it should be noted, is typically in response to changes in the organization’s *external environment*.
- In some instances not everybody sees the need for a change. In this situation, **the need must be generated**.
- One Way to do so is to compare current or actual state with Organization Goals & Mission.

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Four Primary Phases - Summary

1. **The Prelaunch Phase**
   - Leader Self-Examination
   - Gathering Information from the External Environment
   - Establishing a Need for Change.
   - Providing Clarity of Vision and Direction
Four Primary Phases - Summary

II. The Launch Phase
   Â Communicating the Need for Change.
   Â Initiating Key Activities.
   Â Dealing with Resistance.

Four Primary Phases - Summary

III. The Postlaunch Phase
   Â Multiple Leverage.
   Â Taking the Heat
   Â Consistency.
   Â Perseverance.
   Â Repeating the Message.
Four Primary Phases - Summary

IV. Sustaining the Change

- Dealing with Unanticipated Consequences
- Momentum
- Choosing Successors
- Launching yet again New Initiatives

Four Phases of the Change Process …

**The Prelaunch Phase**

- Another way… **Develop a more desirable future state!**
- In either of these cases, the principle is the same. Presenting people with a *discrepancy between what is and what is desired* will create tension, and the motivation will be in the direction of reducing that tension; that is, to move toward the desired state. This is a principle of human behavior that is based on sound theory and research.
The Prelaunch Phase

The External Environment:

Â It is clear that organization change typically is initiated by some "perturbation" in the external environment, but the organization responds in its own unique manner and, in fact, may not respond at all – often to its peril.

Â Organization Change therefore occurs primarily as a reaction to some change in the environment.

The Prelaunch Phase

Leader Self Examination:

Â Self-Awareness – It behooves leaders who want to bring about a successful change effort to be as cognizant as possible of themselves in the following:

- Tolerance for Ambiguity - Being able to live with the ambiguity that the change process brings.
- Need for Control - Organization change is messy sometimes chaotic & sometimes seemingly out of control.
- Understanding how feelings affect behavior - Can you handle the "push-back"?
- Decision-making - Can you loosen control and let go of the reins?
Four Phases of the Change Process …

The Prelaunch Phase

Motives:
- You must know your own motives for change.
  - Are you "appropriately ambitious?"
  - Do you have a healthy dissatisfaction with the status quo?
  - Where are you in your needs for:
    - Achievement? Success comes with having at least a moderate to high need to achieve.
    - Power? Are you high in power motivation?
    - Affiliation? Will your need to be liked and to be popular get in the way?

The Prelaunch Phase

Values:
- The alignment of individual needs and values with the organization’s culture (norms & values) is likely to enhance motivation and in turn performance.
- If we are attempting to change the culture then it is a matter of modifying current values or establishing an entirely new set of values.
- Establishing these values to undergrid and provide direction for the change effort is the responsibility of the CEO - Change Leader.
Change Models

Eight Steps To Successful Change
- John Kotter

1. Create a guiding coalition
2. Develop a clear shared vision
3. Communicate the vision
4. Empower people to act on the vision
5. Create short term wins
6. Consolidate & build on the gains
7. Institutionalise the change
8. Establish a sense of urgency
Lewin’s Force Field Analyses

Driving forces
- Falling competitiveness
- Rising material costs
- Head office determination

Equilibrium
Change:
Raise productivity by changing working patterns

Restraining forces
- Alternative work schedules
- Loss of overtime
- Different work groups
- Temporary disruption

Preferred State

Figure 6.10 A force field diagram
Six Major Tenets about Organization Change

1. You must begin with the External Environment - Ask the right questions, gather the appropriate data and seek input from key constituents.
   - What are your customers telling you?
   - What are the Capital Markets telling you? (Public)
   - How Relevant is our Mission today? (Nonprofit)
   - What about your Competitors?
   - How about the people you are attracting, selecting, and retaining in your organization?
   - What about technology? Do you have the right Technology?

Six Major Tenets about Organization Change

2. You must take a Hard look inside your Own Organization.
   - Are you still in the right business or set of businesses?
   - Do you need to change your focus and/or technology base?
   - Do you need to remain with your Core services or develop new service offerings?
   - What is the level of commitment to or passion for your organization's Mission and purpose on the part of the executive team and employees?
Six Major Tenets about Organization Change

3. Assuming that some degree of Change is needed, how ready is your organization for what will be required?
   - How quickly & how deeply should the process occur?
   - Evolutionary and continuous (transactional) Change or Revolutionary and discontinuous (Transformational) or perhaps both? Different strategies for different parts of your business?

Six Major Tenets about Organization Change

4. Assuming that change is transformational, how locked-in to your culture is your leadership and employees?
   - This is NOT business as usual. This is a new Mission, a new or revised strategy altogether.
Six Major Tenets about Organization Change

5. You must make the case for change: Why we need to transform ourselves?
   ì ì We’ve been successful for more than 20 years, why do we need to take such drastic, even draconian, steps now?ò

Six Major Tenets about Organization Change

6. You must follow the four phase process:
   ì ì Prelaunch
   ì ì Launch
   ì ì Postlaunch
   ì ì Sustaining the Change

Keep in mind: Organizational Change is entirely too complex and nonlinear to summarize easily into four phases or steps. Thinking about organizational change in the sequential terms of prelaunch to sustaining is about the best we can do.
Setting Change Priorities

There are lots of opportunities to change.

How do you decide?

How do you decide?
Ten Questions to Ask

1. Looking externally- Which of the potential projects is the most important based on the organization's external environment?
2. Looking Internally- Which is the most important to our business strategy & organizational goals & objectives?
3. Looking Internally: Which of these potential projects is my organization most ready for at this time? i.e. In which of these will I encounter the least resistance?
4. Looking at Self- Which of these am I, or can I be most committed to seeing through to success?
5. Looking at these opportunities, Which can give my company the greatest competitive, distinctive advantage?
How do you decide?
Ten Questions to Ask:

6. Looking at these options, which most easily fits into my current organizational culture?

7. Which of these options has the least likelihood to have negative unintended consequences for the rest of my organization?

8. In which of these options can I gather the greatest and most immediate urgency for the change?

9. In which of these options can I assemble a guiding coalition to help build momentum and sustain the change effort?

10. Which of these options gives me the greatest chance for immediate small wins to build change momentum?

Organizational Change Management – Setting Priorities

- Pay For Performance
- BIM Technology Platform
- Pre-Fabrication Shop

Environment
Changing Customer Needs? Changing Industry Technology?
Changing Regulations? What are your Competitors Doing?
Markets/Economy? Global Forces?

Organization
Is this aligned with your Strategy? Is it a shared Strategy?
What is your Readiness for Change? How "Locked-In" is your Culture?
Can you articulate a Clear Vision? Is it aligned with your Mission?
Can you assemble a guiding Coalition?

Change Leader (You)
What is your Tolerance for Ambiguity? What is your need for Control?
How do you react when others Disagree?
What are your Motives? Are you "appropriately ambitious"?
Do you have a healthy dissatisfaction with the status quo?
Change & Culture

The process is as follows:
Â First you announce the change regarding the culture.
Â Second, you get managers’ attention by training them in the behavioral practices that will be manifestations of the desired culture.
Â Third, you measure their degree of use of the practices.
Â Finally, you reward them when they employ the practices.

Two Final Thoughts....

Thank you...

&
If you really want to build a Vibrant and Sustainable Organization...
“If you want to build a ship, don't drum up people to collect wood and don't assign them tasks and work, but rather teach them to long for the endless immensity of the sea.”

Antoine de Saint-Exupery

Questions?

Donâ€”Forgeté
Â 10:15 -11:30 am Opening General Session
Â 11:30 am-5:00 pm NECA Show